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MARCH 1, 1965

FORMA—THE FRENCH CCC

AGRICULTURAL HIGHLIGHTS FROM SOUTH AMERICA

FEED GRAINS COUNCIL PROMOTES EGGS IN JAPAN

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FOREIGN AGRICULTURE

Including FOREIGN CROPS AND MARKETS

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FOREIGN AGRICULTURE

Including FOREIGN CROPS AND MARKETS

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Fruit supplies and prices in this French store reflect the activities of FORMA, French government food agency charged with stabilizing the prices of most agricultural items. (See story on opposite page.)

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Parisian housewives shop for food.

FORMA—the French Commodity Credit Corporation

By HARRY W. HENDERSON
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No. 2, Rue St. Charles, near the Eiffel Tower in Paris, is a new, modern building. But it is an unobtrusive building. Its new gray stone matches the old gray stone of ancient structures in the neighborhood. Its elevators move up and down with swift efficiency—yet noiselessly. Its offices, though luxuriously furnished, have subdued lighting and neutral colors.

Unobtrusive also is the word for one of the building's tenants—a French government food agency, Fonds d'Orientation et de Régularisation des Marchés Agricoles, usually called FORMA. The policies of FORMA, developed with care in a quiet, scholarly atmosphere, are made effective in large part through subsidiary organizations. But FORMA's decisions, though drafted and executed with little fanfare, exert enormous influence on prices French farmers get for many of their products, on charges French consumers pay for their food and, occasionally, on the level of certain U.S. agricultural exports to France.

How FORMA differs from CCC

FORMA often is referred to as the French "Commodity Credit Corporation."

In one way, the comparison with the American CCC is apt. FORMA, like CCC, stabilizes prices of many farm commodities. On the list are dairy products, beef and veal, pork, poultry, fruits and vegetables, including potatoes, and a variety of other products—textiles, fats and oils, wine and fruit juices, mushrooms, hops, cut flowers, angora rabbits. (Stabilization of grain and sugar prices is carried on by other agencies, but their overall policy objectives parallel those of FORMA.)

But CCC and FORMA are unalike in some important ways. CCC is an agency of the U.S. Department of Agriculture. FORMA has two government "bosses"—the Ministry of Agriculture and the Ministry of Finance and Economic Affairs.

CCC has the primary mission of protecting U.S. farmers' prices and incomes. FORMA not only has the job of helping farmers but also the responsibility of helping to hold in line food prices paid by consumers.

CCC's policy decisions are carried out largely by U.S. Department of Agriculture agencies or producer cooperative associations functioning as agents of the CCC. FORMA's policies are executed in large part through government-financed professional "intervention" organizations —with FORMA exercising very direct control over the direction of their activities.

For example, prices of dairy products are stabilized by INTERLAIT—the Société Interprofessionelle du Lait et de ses Dérivés. This is as though the Commodity Credit Corporation were to set up a separate "Dairy Products Stabilization Agency"—with headquarters at Chicago, perhaps—give it authority to support U.S. dairy prices in line with CCC policies, and finance its outlays for stabilization. CCC might want to assure complete control of the Agency —as FORMA does—by naming the members who serve on the Agency's administrative council, and by appointing a government commissioner and a government financial controller, both of whom would have veto power over all decisions reached by the council.

FORMA's policies on meat are carried out through SIBEV—the Société Interprofessionelle du Bétail et des Viandes; and those on potatoes, through SNIPOT—the Société Interprofessionelle de la Pomme de Terre.

FORMA also utilizes subsidiary organizations in obtaining certain types of administrative assistance. SOPEXA carries on propaganda, publicity, and promotion activities. COFREDA is a research arm, which, among other duties, seeks to widen market outlets for farm products. CENECA organizes agricultural expositions and trade fairs.

Milk prices and the dairy strike

FORMA reaches its decisions only after thorough study of producer, consumer, and national problems. The French Government has supported FORMA's decisions to the hilt, as French dairy farmers discovered last fall when they staged a month-long strike to persuade the government to raise the national producer or target price of milk from 0.372 francs per liter ($3.44 per 100 lb.) to 0.4341 francs ($4.02 per 100 lb.).

The government early in 1964 had cited several reasons for wanting to keep milk prices relatively low. First, it was cooperating with the European Economic Community's common agricultural policy for dairy products—and this entailed holding prices to producers at the same average they received in calendar year 1963. Second, France was battling inflation and wanted to stabilize food costs for consumers. Third, the government felt that increased dairy prices would put too much emphasis on milk production and too little on beef output, which was already too small to meet national needs.

But these reasons failed to impress milk producers. Many French farmers felt that the prosperity which has come to France and to other EEC countries in recent years is not being shared equitably—that incomes of farmers have too long lagged behind those of people in other occupations. They argued that long-range objectives, though desirable, brought no immediate benefits—no immediate change in their income disparity position.

Last spring two large French dairy producers' associations voted to demand a substantial increase in the national average target price for milk. Their position was fully supported by the big French National Federation of Farmers' Unions (FNSEA), which represents or otherwise influences an estimated 70 percent of all French farmers.

What the government did

"Dialogue" between the government and the FNSEA went on during the summer and up into the fall. When the government stuck to its price policy, the FNSEA on September 18 initiated a strike against the delivery of milk to handlers for fluid distribution. The strikers established "dry zones" around all French cities having populations of over 50,000. Strike committees directed that all fluid milk delivered—excepting that needed by such users as hospitals and maternity homes—be either manufactured into dairy products or shipped outside the dry zones.

Far from capitulating, the government replied with countermeasures. First, it reduced or eliminated export subsidies on butter, cheese, and milk powder—a move designed to make the diversion of fluid milk to processed products unprofitable. Second, it imported large quantities of manufactured dairy products, notably butter and nonfat dry milk, from the United States, West European countries, and elsewhere. U.S. sales of dairy products to France in 1964 through November had a value of $3.1 million. Third, INTERLAIT put on the market substantial quantities of butter it owned or controlled. Fourth, some fluid

milk was imported from the Netherlands and West Germany and distributed in the Paris area.

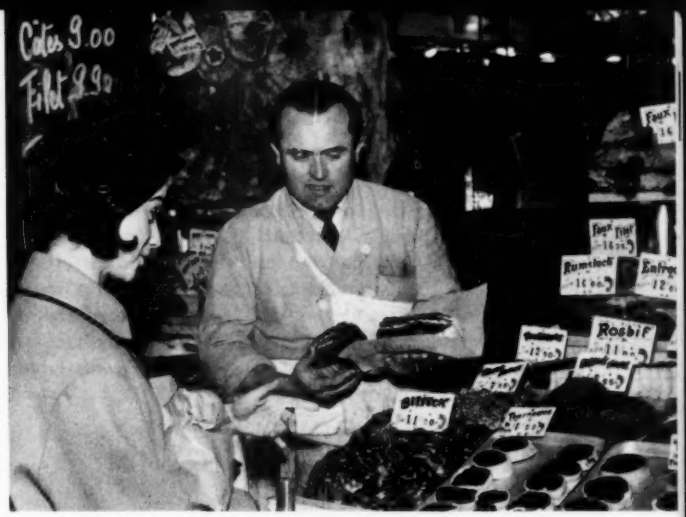
The FNSEA National Council ended the strike on October 19. But it called on the French Parliament to see to it that national agricultural laws are properly implemented. This was the signal for sympathetic deputies to call for a censure of the government for its agricultural policies. A censure vote was taken on October 8. It was supported by only 208 deputies—34 short of the 242 majority required to invoke censure.

A footnote was added to the milk price controversy on November 4 when the government announced a nationwide payment of 0.020 francs per liter (18½ cents per 100 lb.). Some in France interpreted this as a gesture to save the face of the farm unions. Not so, said the government. The small additional payment, long contemplated, is for covering the cost of collecting the farmer's milk.

Benefits to farmers and housewives

One French newspaperman has said: "The Biblical Joseph in Egypt had it good; he could distribute in times of scarcity the food that was produced in times of plenty. But if he had been confronted, as France has been confronted, with surpluses year after year, he would have had to invent FORMA."

FORMA, to the extent possible, tries to operate as Joseph did. The agency acquires products from farmers when surpluses develop, and stores them—or exports them, with or without the aid of subsidies. When shortages appear, the stored commodities are brought out of the warehouses and put into marketing channels, and imports



FORMA tries to keep food flowing to market at prices both farmers and consumers can live with. Above, butcher with 6-rib beef hindquarter; right, open-air meat shop; left, carts of fruit on way to auction room; left above, sampling milk at cooperative dairy.

are encouraged or actually purchased abroad. FORMA's operations, therefore, "even off" the price and supply peaks and valleys in a way that benefits both producers and consumers.

FORMA's policies unquestionably benefited consumers in 1964 when shortages of beef and veal became acute. SIBEV, through earlier purchases from French farmers, was able to put 20,000 tons of frozen beef and veal on the market. At the same time, SIBEV purchased beef from Australia, New Zealand, and Argentina. Tariffs were lowered at different times to attract meat through commercial trade channels. For the first time in many years the United States sold frozen beef and veal to France, sales in calendar year 1964 through November totaling 1.8 million pounds, valued at $770,000.

SIBEV will be in the market for 40,000 tons of beef and veal in 1965, half from French production, the other half from foreign sources. SIBEV will try to buy as reasonably as possible the lean beef it will import. For meat of this type, Australia and Argentina will give the United States strong competition. But French consumers are beginning to use the marbled beef that is popular in the United States, especially for charcoal grilling, and modest imports of this grade of U.S. beef could well continue in 1965.

Details of FORMA's setup

SIBEV's "parent," FORMA, is a relatively new agency. It was organized on the present basis in 1961 (as compared with 1933 for the CCC), but several of its present activities trace back to earlier years. For example, "funds" were created for the stabilization of meat prices in 1952, and for dairy products and fats and oils in 1954.

As now organized, FORMA functions under a Director of Funds (Jean Chapelle), an Assistant Director, technical counselors, and several other officials.

The agency has seven functional divisions. Four of these have the job of studying the economic problems surrounding particular groups of commodities and of making recommendations for government action. Two other divisions have budget and accounting responsibilities. Another is charged with making special marketing studies.

Decisions arrived at by the Director and his staff must be approved by FORMA's "Council of Direction." This is headed by a president (Maurice Sabatier), who is also a Councilor of State—an administrative adviser to the government. This high-level position gives him the independence he needs in appraising agricultural politicies. Mr. Sabatier has under him 10 representatives of the government, plus 10 representatives of production and commerce, including officials of French farm organizations.

All FORMA operations which might directly or indirectly have economic or financial repercussions are subject to the control of a four-member group made up of a chief of mission (Guy Fremont) and three state controllers.

Monetary scope of France's price stabilization

The scope of FORMA's operations can be measured in part by the funds applied to price stabilization. In 1964 the agency used for dairy products $163 million; meat, $24 million; poultry, $4 million; fruits and vegetables (including potatoes), $20 million; other, $27 million; total outlay, $308 million. The actual cost, however, is expected to be only $198 million because of allowances for cash receipts from commodities sold and the value of stocks on hand at the end of the year.

(Stabilization of cereal prices in 1964 called for the application of $112 million of government funds; stabilization of sugar prices for $10 million.)

France is in a difficult period, agriculturally. These difficulties come, as Edgard Pisani, Minister of Agriculture, explained recently, "from the fact that we are overriding two systems: a national system which has no longer all its effect, a European system which has not acquired all its effect. Add to these economic difficulties the normal problems of producing and marketing farm products." It seems likely, all in all, that FORMA's responsibilities will become heavier before they get lighter.

Agricultural Highlights: Argentina, Brazil, Uruguay

At year-end three Latin American countries—Argentina, Uruguay, and Brazil—found themselves in a better position agriculturally than they had been in 1963. Both Argentina and Uruguay had bumper wheat crops to report, and Uruguay had just completed its best year for meat exports. Brazil, whose big money earner is coffee, suffered a setback with regard to coffee sales, but was predicting a general 22-percent crop increase for 1964-65, with large harvests for certain commodities.

Argentina Expects Record Wheat Crop

Weather conditions throughout the Pampas were generally excellent during the last quarter of 1963, and resulted in exceptional yields for wheat. The early January crop estimate of 9.15 million metric tons was sharply above previous forecasts and indicated an output in excess of last year's bumper crop.

Yields of other small grains and flax declined somewhat because of the reduced acreage seeded. Prospects for corn and sorghum were generally favorable; production should at least equal last year's level. Output of edible oilseeds was expected to increase—particularly sunflowerseed. Fruit production was also up.

Argentina entered the new marketing year with sizable carryovers of wheat and wool. Marketing of these has been relatively slow, considering the supply to be placed, and for the first time in recent years, prices to producers for these commodities were below, and substantially so, those of the previous season.

Cattle producers continued to pursue their program of herd buildup, which started a year ago and which promises big future dividends at the cost of temporary tight supply. Domestic beef consumption in 1964 was down noticeably from the previous year, partly because of higher prices, partly because of the government's prohibition of retail beef sales on Mondays and Tuesdays. Tonnage of beef exports also dropped in 1964; however, foreign exchange earnings actually increased because of the more favorable price pattern.

The government's tax bill, which reimposed the 5-percent agricultural production tax and eliminated automatic tax write-off benefits on expenditures to increase productivity, was passed by Congress—much to the farmers' disgust. The Argentine-Brazil wheat agreement was extended for 3 years, with Brazil agreeing to take 1 million tons each year. The Inter-American Development Bank granted an additional loan of $15 million for financing purchases of farm machinery and equipment. The government has made additional loan funds available for pasture improvement.

Better Year Ahead for Brazil's Crops

Favorable weather during 1964 has led the Brazilian Government to predict a 22-percent crop increase for the 1964-65 year, with a harvest of bumper proportions in some commodities. Wheat will remain the major import need, although imports during 1965 should be less than the 2.5 million tons of last year.

In 1964 the government announced official minimum prices for basic agricultural commodities sufficiently early for farmers to respond with larger plantings. Farmers also gained confidence in the present administration as the minimum prices were established with a built-in monetary correction factor which will provide for price adjustments to compensate for the decline in purchasing power of the cruzeiro. In addition, the new administration passed comprehensive land reform legislation late in the year.

Coffee exports during the month of December were 905,290 bags compared with 1.4 million exported during December 1963, and for the entire calendar year 1964 they were 15 million bags compared with nearly 19.6 million exported in calendar 1963.

Throughout the month of December, there were serious delays in the unloading and handling of Public Law 480 *wheat* at the port of Santos. About 40 percent of Brazil's wheat imports flow through this port, and currently practically all of it is U.S. wheat purchased under Title I, P.L. 480. The major contributing factors to the congestion appeared to be the lack of storage in the port and inadequate financing available to millers so they could move the wheat to their mills. Furthermore, the elimination of foreign exchange subsidies on wheat imports reflected in the recent hikes in wheat flour prices caused a decline in flour sales, and millers were unwilling to handle all the wheat already purchased by the Bank of Brazil.

Estimates indicate that Rio Grande do Sul has about 4.5 million bags (60 kg.) of milled *rice* available for export during the 1964-65 marketing year which ends March 31, 1965. The Supply Authority (SUNAB) authorized exports of 3 million bags of rice, but there have been no reports of sales yet. The 1964-65 Rio Grande do Sul crop is expected to be about 30 percent larger than the previous year's.

In December new minimum prices to producers were announced for *beans* and *peanuts* for the 1964-65 and 1965-66 crops. The new prices for the 1964-65 bean and peanut crops are slightly more than 4 percent higher than the prices announced in September.

Uruguay Striving To Export Its Wool

Uruguay's meat exports remained high in the last quarter of 1964, continuing the year-long trend. Not only has Uruguay had its best year for meat exports, but the value of meat exports exceeded that of wool exports for the first time.

Although more wool was exported in October (the first month of the new clip) than in the same month last year, exports of wool had virtually ceased at year's end. With the profits of an exceptional meat-export year, and the prospects of a bumper wheat crop, many wool producers held back stocks in hope of a higher return. When international wool prices failed to firm up and even fell somewhat, it became obvious that steps would have to be taken to promote marketing of the wool.

Estimates of wool-on-hand reach as high as 125 million kilos, of which some 85 percent might be available for export, which should bring in around $100 million. In early January the government began studies on measures to foster the export of the wool now in storage. The three

main steps considered were (1) devaluation of the official rate of the peso, (2) reduction of the export retention tax on wool, and (3) reduction of the minimum f.o.b. declaration value for wool, thus permitting the sale of a part of the foreign exchange proceeds of exports in the higher parallel market. On January 25, the third step was taken.

In contrast to last year's wheat shortage, good weather and increased acreage have combined to give Uruguay a bumper crop this year. Uruguayan government estimates placed the exportable surplus at 260,000 metric tons. With Uruguay's domestic market insulated by limited wheat imports, internal prices remain partially independent of the world market. Thus the current domestic price is some 22 percent over the world price at the official exchange rate.

Uruguay's farmers, however, appear dissatisfied with the price level and are asking a 65-percent price differential. The government authorized in December the export of 200,000 metric tons free of export taxes and for which earnings could be exchanged in the parallel market. Because of the difference in the official and parallel exchange rates, this would mean an increase in peso return to the producer of over 50 percent.

How much wheat Uruguay will export is now uncertain and depends not only on the reaction of the producers to the prices offered them but also on whether Uruguay can find export markets.

Sweden Increases Taxes on Farm Imports

Sweden on February 1 raised the import taxes on agricultural products by an average of 9 to 10 percent.

This increase came as a result of an 8.8-percent rise in the income of industrial workers, which, under the country's current agricultural policy, meant that the income of the "standard farmer" had to be increased by a similar amount.

The higher import taxes, coupled with a hike in the price of fluid milk (by the equivalent of 1.5 U.S. cents per gallon) are calculated to raise farm prices about 2.8 percent and the gross agricultural income about US$30.9 million. The actual gain, however, will depend upon the supply-demand situation and other factors.

The Consumers Price Index will go up around 0.25 percent as a result of this action.

SWEDISH IMPORT TAXES ON SELECTED COMMODITIES

Commodity	Dec. 1963	Nov. 1964	Feb. 1965
	U.S. dol. per 100 lb.	*U.S. dol. per 100 lb.*	*U.S. dol. per 100 lb.*
Beef, whole, half or quarters	15.85	19.35	21.71
Veal, whole or half	0	7.53	21.19
Chicken meat	14.18	23.90	23.90
Butter	7.70	8.84	11.03
Cheese, hard	7.70	9.54	10.77
Potatoes	1.53	1.53	1.53
Wheat	1.70	2.51	2.51
Barley	1.40	1.58	1.58

Australia Expects Bumper Rice Production

The current Australian rice crop (to be harvested by May 1965) is forecast at a new record of 148,000 to 152,000 metric tons of rough rice. Production during 1964 was 144,000 metric tons.

Plantings in New South Wales—producer of virtually all Australia's rice—are estimated to have risen to 63,000 acres from 59,000 as a result of increased water supplies provided by the Snowy Mountains Scheme and expansion of irrigation facilities in the Coleambally Irrigation Area. Only limited plantings continue to be made in Western Australia and the Northern Territory.

The crop in New South Wales was retarded somewhat by unusually mild temperatures during December, but conditions improved during January with the onset of warmer weather, coupled with widespread aerial fertilizing to improve crop growth and color. Currently, yields there are expected to be average or better.

Marketing position of the crop is relatively sound, although there has been increased competition in the British market. Stocks of the 1964 crop have been virtually cleared, and carryover is negligible. About 22,000 tons, in terms of milled, will be required for the domestic market, leaving an exportable surplus of around 87,000 tons—the same as in 1964, when rice shipments were at a record level.

Around 40,000 tons of this year's exportable surplus will go to Papua and New Guinea—traditionally the largest markets. Besides these countries, Australian rice generally goes to New Zealand and the other islands of the South Pacific—notably the Solomon Islands, New Hebrides, and Guam.

Shipments to countries outside the South Pacific have been increasing in recent years. The United Kingdom, the Ryukyu Islands, and Canada have all increased their buying of Australian rice.

France Acts To Strengthen Poultry Prices

The French food agency FORMA has begun a program to bolster the country's low poultry prices and to prepare for future increases in competition on the domestic market from EEC partners.

Under this program, FORMA will expand market promotion efforts within the country, using mass media.

It will also, subject to EEC approval, subsidize storage of up to 5,000 metric tons (11 mil. lb.) of eviscerated broilers from slaughter plants approved by the French Veterinary Service. Storage will be from 5 to 20 weeks, at 0.15 francs per kilogram (about 1.4 U.S. cents per lb.) on entrance into storage and 0.003 francs (about 0.0003 U.S. cents) thereafter. Release from storage is to be subject to the approval of FORMA.

This storage program, however, will probably not be implemented to its full limit, as few broilers produced for domestic consumption are eviscerated and only a few of the French slaughter plants have been approved by the Veterinary Service.

Request for this action came from the French Poultry Confederation, which has been disturbed by the low poultry prices in evidence since the spring of 1964. First-class broilers were quoted at 2.80 francs per kilogram (26 U.S. cents per lb.) at Les Halles market on February 4, sharply below the average price of 3.97 francs (37 cents) received in the same month of 1964.

For story on FORMA, see page 3.

U.S. Feed Grains Council Begins Egg Consumption Campaign in Japan

By JIMMY D. MINYARD
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The U.S. Feed Grains Council—with an important stake in Japan's rapidly growing poultry industry—is working closely with a number of Japanese industry and government groups in a new program to increase consumption of eggs. Egg production in Japan is now about 40 percent above that of 1962, according to better informed sources.

Numerous factors have contributed to this remarkable increase in output:

- The number of layers expanded more than 30 percent;
- The average flock size went from 25 birds to more than 30 birds—This increase combined with a drop in the number of flocks from 3.7 million to 3.3 million reflects mainly the establishment of large-scale operations of more than a thousand birds;
- High egg prices in 1963 and early 1964 encouraged farmers to cull flocks less carefully;
- More than a million chicks of improved layer stock were imported from the United States in both 1963 and 1964, up from 64,000 in 1962.

Use of commercial mixed feeds up

The changing face of the egg industry has put increasing emphasis on the use of formula feeds by all segments of the industry.

Farmers with a few hens depend less on commercially produced feedstuff, and supply much of the required feedstuff from their farms. However, the development of large-scale flocks has caused increased reliance on feed manufacturers to supply feed needs.

Feed makers proved equal to the task, and production of commercial mixed feeds has grown by leaps and bounds. In the year beginning July 1964, more than 6.5 million metric tons will be produced—up from only 3 million tons in 1961-62. About three-fourths of all formula feed is for poultry, and an estimated 85 percent of the poultry feed goes to layers.

Almost all of the grain used in formula feed making is imported. It then becomes apparent that Japan's growing poultry industry is of major importance to the U.S. feed grain producer.

In 1961 the United States sold 480,000 metric tons of corn and 146,000 metric tons of grain sorghum to Japan (Japanese import data). In 1964 more than 1.5 million tons of U.S. corn and almost 800,000 tons of U.S. grain sorghum moved into Japan.

Imports of dehydrated and suncured alfalfa pellets grew from less than 70,000 metric tons to over 160,000 tons in this period.

Egg prices down

The rapid expansion of the poultry industry has not been all rosy. Egg consumption has not kept pace with the spurt in production. Egg prices currently are at a new low level. Because of the present imbalance in production and use, small and inefficient egg producers are having a hard time staying in business.

While price fluctuations in eggs are inevitable, the extreme range between the high prices of December 1963 and December 1964 created a crisis in the industry. Producer prices in December 1963 averaged around 180 yen per kilogram (about 28 cents per dozen). In December 1964 producers were getting 125-130 yen per kilogram (about 20 cents per dozen). The Ministry of Agriculture calculates production costs which average around 160 yen per kilogram.

USFGC initiative

The U.S. Feed Grains Council's office in Japan, which represents U.S. feed grain interests, anticipated the developing problem of low egg prices in mid-1964, and began to discuss with various segments of the Japanese industry some possibilities for consumer promotion work for eggs. At that time egg prices were fairly good, and there was little interest from most industry groups in promoting egg consumption.

However, in the fall of 1964 egg prices failed to take the expected seasonal upswing for reasons given. When it became apparent that egg prices were not going to increase because of large supplies, interest in consumer promotion swelled to a high pitch. Groups that previously had shown no inclination to put money into egg promotion became keen on the idea.

(Continued on page 16)

Egg promotion poster on commuter train, Tokyo

U.S. Feeder Cattle, Veal Calves, and Feedstuffs Being Displayed at Verona's 67th Livestock Fair

The U.S. exhibit at Verona's 67th International Agricultural and Livestock Fair in Italy, March 14-22, will feature U.S. livestock and feedstuffs, for which Italy is an increasingly good customer.

The Verona Fair, located in the heart of one of Italy's most important livestock and agricultural areas, is considered an important showcase for agricultural products and equipment by the many countries competing for the growing Italian market. Last year, 1,420 non-Italian firms from 33 countries exhibited and 14 countries—including the United States (for the fourth time)—had national exhibits.

Several American livestock associations, the U.S. Feed Grains Council, the National Renderers Association, and the Dairy Society International are participating with FAS in this year's U.S. exhibit.

The theme of the U.S. exhibit reflects Italy's current drive to increase its meat supplies by building up its livestock industry and importing more meat.

Since last summer when the Common Market Commission authorized Italy to import feeder cattle free of duty—an authorization just recently renewed again — Italy has imported 7,902 head of U.S. feeder cattle as well as 8,000 U.S. veal calves.

At the U.S. exhibit will be 15 feeder cattle selected from typical animals now undergoing finishing on Italian farms. They will be divided into two groups: One pen will include nine cattle now being finished and the other, six cattle which are finished and ready for slaughter. Both groups will represent Good and Choice grades. Baby calves on display will be divided into five baby and five finished calves.

As a special feature, one or two finished feeder cattle and veal calves will be graded on the hoof by a cattle and meat grading expert from the USDA Consumer and Marketing Service. After slaughter, the carcasses will be graded in an effort to show Italians the quality of meat produced from properly fed U.S. beef-type animals.

The benefits to be derived from high-energy rations—a subject which increasingly engages the attention of Italy's livestock producers—will be the theme of displays and demonstrations by the USFGC, the DSI, and National Renderers.

Italy is the world's largest import market for feed grains. Its imports of U.S. feed grains jumped so quickly following liberalization of imports under the EEC's Common Agricultural Policy in July 1962 that already Italy has become this country's fifth biggest customer. Purchases for fiscal 1964 were 1 million metric tons, with a value of $55 million. As the concept of high-energy feeding catches on, use of feed grains will undoubtedly increase even more.

The USFGC also plans to demonstrate the use of U.S. corn and soybean meal in balanced rations for the production of lean, meaty pork.

The Dairy Society exhibit will demonstrate the use of milk replacers in feeding veal calves, a type of feeding being used more and more frequently in Italian livestock production.

National Renderers will promote the use of animal fats in mixed, high-energy feed rations. At the present time, Italy is one of the United States top four customers for tallow and grease (180 million pounds in 1964), although a considerable quantity of this still goes into soap production.

On March 18, an Animal Production Conference, arranged by the Verona Fair management, will give the U.S. livestock and feed experts attending an opportunity to discuss with Italian counterparts all aspects of breeding, feeding, and management.

The U.S. pavilion at last year's Verona Fair attracted many of the 660,000 people who attended this important farm show in north Italy.

In-Store U.S. Foods Promotion Rates High in Glasgow Survey

Results of a recent survey assessing the impact of an intensive in-store promotion of U.S. foods in Glasgow, Scotland, in November provide additional evidence of the value of this type of market development.

The promotion resulted in sharp increases in sales of U.S. foods by the 200-store Galbraith chain. Sales of U.S. canned peaches — regularly a strong seller in the 2-million-person Glasgow area—were up 357 percent, fruit cocktail 197 percent. Pineapple juice went from an average of 32 cases per week before the promotion to 174 cases, a 445-percent gain. U.S. canned whole chicken sales rose 124 percent.

U.S. lard and prunes also were good sellers, each up 56 percent. Packaged U.S. raisin sales were up 103 percent, rice, 6 percent. Only fresh McIntosh apples showed no gain, due to a price increase during the last two weeks.

Contributing to the successful campaign were window and in-store food displays, point-of-sale materials such as 5-foot banners announcing the American food promotion, newspaper and TV advertising, demonstrations, gift packages, and special price reductions on almost all U.S. items featured.

French Group Promotes Cotton for Infant Wear

A unique cotton promotion campaign originated by a group of French textile manufacturers and retailers is helping stimulate cotton goods consumption by a sizable segment of the French population: infants.

The group—the French Committee on Infant Hygiene—represents 15 cotton textile manufacturers and two leading chain stores with 500 branches throughout France. The first textile group to initiate a formal promotion for cotton diapers and baby wear, the FCIH was organized 4 years ago when a survey by its members revealed increasing use of paper and cellulose diapers compared with diapers made of cotton.

The survey also showed that the market potential for cotton diapers and layettes could be sharpened if more housewives were aware of the hygienic advantages of cotton.

Using these guidelines, the committee set up a campaign to promote cotton diapers as made from a "natural fiber," and possessing features not available in manmades: they are absorbent, washable, non-allergenic, and quick-drying; and they can be boiled and sterilized without disinfectants.

To meet costs, the committee assessed its members for three-fourths of the promotional budget, and secured the agreement of the French Syndicate of Cotton (the Cotton Council International-FAS cooperator in France) to pay the other fourth.

Early in the campaign, endorsement for cotton diapers was obtained from top French pediatricians and allergy specialists through a questionnaire distributed by the Committee on Infant Hygiene. Questionnaire results — in which 95 percent of the French physicians responding recommended cotton diapers — were published in "Infant Medicine," the official organ of the French Medical Society's Child Health Committee.

A special committee brochure recommending cotton for baby diapers and clothes is now included—through committee efforts—in the French Government's baby-care packet. The packet is distributed by a State agency which gives financial aid and free baby care advice to mothers-to-be.

The committee advertises extensively in women's sections of the press and in family magazines to bolster sales of cotton diapers and layettes. The ads combine tips on baby care with a strong recommendation for the all-cotton layette. After an intensive press campaign in one French province, sales of cotton baby articles increased so rapidly that retailers were unable to keep up with demand.

Other effective features of the campaign include classes on diaper-folding, washing, and basic layette needs which the committee sponsors throughout France's 2,500 home economics and vocational schools. Similar demonstrations and lectures are given prospective mothers in hospitals, well-baby clinics, and dispensaries.

France usually ranks among the top three or four large cotton importing countries of the world, and is an important dollar market for U.S. cotton, taking about $70 million worth annually. During the past 5 years, total imports have averaged 1.3 million bales a year, with about one-third coming from the United States.

New Zealand Announces Latest Moves in Asian Dairy Market

The New Zealand Dairy Production and Marketing Board has cancelled plans to construct a recombining fluid milk plant in Thailand.

Reportedly, the move represents no slackening in New Zealand's drive to develop Asian markets for its dairy products, but an unwillingness to compete with plans of a Thai businessman to build a similar plant—one which might provide an equal outlet for New Zealand nonfat dry milk, anhydrous milk fat, and condensed milk.

The board would like to gain more of the Thai market for dairy products, now dominated by the Netherlands.

The board has also announced it would provide plant and equipment for a new milk condensery in Ceylon under the Colombo Plan. Ceylon, a large market for condensed milk, took about 21 million pounds in 1963, mostly from Europe.

Holstein Official Urges Market Development by Export Agents

Continued expansion of overseas sales of U.S. Holstein-Friesian cattle will demand that U.S. export agents and sales representatives assume a more active role in market development, according to Robert H. Rumler, executive secretary of the Holstein-Friesian Association of America.

Citing past efforts of the Holstein Association to promote cattle in cooperation with FAS, Mr. Rumler said that in 1964 marketing specialists went to six countries to establish contacts with present and prospective buyers, and to five countries in Latin America for the specific purpose of classifying herds and judging at livestock exhibitions. The association also advertised widely in foreign publications and distributed technical brochures to cattle breeders overseas.

"The association will continue this market expansion program," he said, "but the direct sales approach must be made by qualified export agents and other individuals who are in positions to back up commitments to potential foreign purchasers.

"Without the necessary followup, the foreign market cannot be developed to the optimum," Mr. Rumler added.

He recommends that agents make periodic but regular visits to the important markets with the goal of understanding market requirements, management problems, and peculiarities of transacting business in each country.

The agent too should select a local representative who could both capitalize on sales opportunities as they open up and maintain personal contacts with customers.

"While this personalized approach cannot be used in every country to which U.S. Holsteins may be exported, it can be vital in developing business where the greatest export potential exists, particularly in Mexico, Italy, Venezuela, and Japan," he said.

He also urged Holstein exporters to pay more attention to registering the cattle once shipped to the buyer.

"This past year was a good one for registered Holsteins, with a record 2,092 animals officially transferred to foreign buyers. However, at least four times that number were exported; these were either unregistered to begin with, or the sellers and their agents failed to transfer the ownership."

"In addition, large quantities of frozen semen from registered Holstein bulls were exported, but again many sellers did not transfer the ownership.

"This continues to be a regrettable situation which minimizes the value of registered animals in the eyes of the foreign buyer," Mr. Rumler said.

Germany's Beef Deficit Will Continue Large

It is expected that Germany's beef shortage will be larger in 1965 than last year.

The outlook this year is for a slight decrease in cattle slaughter, primarily in young heifers. In case of larger withholdings for herd replacement, the reduction in cattle slaughter will be correspondingly greater. Calf slaughter is predicted to decrease further this year.

The number of all classes of cattle on German farms in December 1964 totaled 13 million head, practically unchanged from a year earlier. Increases of 7 percent occurred in numbers of calves under 3 months and in slaughter cows. There were reductions in all other categories. The present makeup of cattle herds indicates that fewer cattle will be slaughtered in the first half of the year but that slaughter may reach the 1964 level in the second half. Supplies of feed are relatively short, and it is expected that farmers will feed cattle to lower marketable weights than last year.

Demand for beef probably will increase further because of rising consumer incomes.

Australian Meat Shipments to the United States

Two ships left Australia during January with 1,906,240 pounds of beef and 112,000 pounds of mutton for the United States.

Ship and sailing date	Destination [1]	Arrival date	Cargo	Quantity
	Western ports			*Pounds*
Rogna Bakke -----	Tacoma	Feb. 24	Beef	33,600
Jan. 7	Portland	27	Beef	94,080
	Los Angeles	Mar. 7	Beef	878,080
	San Francisco	11	Beef	499,520
Martha Bakke ---	Seattle	7	Beef	53,760
Jan. 15	Tacoma	8	Beef	47,040
	Portland	10	Beef	60,480
	San Francisco	22	Beef	239,680
			Mutton	112,000

[1] Cities listed indicate location of purchaser and usually port of arrival and distribution area, but meat may be shipped to other areas for sale.

Australian Meat Board.

U.S. Rice Exports Below a Year Ago

U.S. rice exports in the first 5 months of the current marketing year (August-December) were 8 percent below those in the same months of 1963-64. December was the first month in which this season's exports declined below the comparable volume of the year before, mainly because of the dock strike on the east coast.

December exports, at 123,900 metric tons, were 23 percent below the 161,700 tons shipped in December 1963. Increased exports to all other continents failed to offset a 51-percent decline—from 122,000 to 61,800 tons—in exports to Asia. This occurred chiefly in shipments to India and, to some extent, in those to Saudi Arabia.

U.S. rice exports, milled basis, in August-December totaled 391,700 metric tons compared with 426,600 in the same 1963 months. This decline was attributed mainly to a sharp drop in exports to India and Indonesia plus smaller shipments to the Dominican Republic and Canada.

Exports to African countries, however, continued to rise. December exports, at 16,400 tons, brought to 77,000 tons the August-December shipments to that area. This compares with 44,900 in the same months of 1963.

Exports to all regions of Europe also increased during the first 5 months. Those to Western Europe were 21,900 tons compared with 14,200 in the same 1963 period, and exports to Eastern Europe came to 11,210 tons compared with 4,200. Exports to the EEC countries during the same period totaled 27,400 tons, or slightly above those in the same 1963 period.

U.S. Feed Grain Exports Continue Up

U.S. exports of feed grains in the first 6 months of fiscal 1965 were up 9 percent, to 8.7 million metric tons from 8.0 million during the same period last year. All feed grain shipments, excluding oats, are continuing upward.

Corn—the major feed grain export—accounted for 76 percent of total shipments. The major markets were Canada, the United Kingdom, the Netherlands, and Japan.

A detailed table and analysis is in February's *World Agricultural Production and Trade: Statistical Report.*

U.S. Exports of Wheat and Flour Show Slight Gain

U.S. exports of wheat and wheat flour (grain equivalent) totaled 389 million bushels during the first 6 months of fiscal 1965. This represented an increase of only 1 percent over exports in the same 6 month period of fiscal 1964.

The acute slowdown in exports reflects the increased availability of wheat supplies in Western Europe and the east coast dock strike in the United States. However, exports of wheat and flour to Soviet satellite countries totaled 15 million bushels during July-December 1964—an increase of 13 percent over those exported during July-December 1963.

A detailed table and analysis appeared in the February issue of *World Agricultural Production and Trade: Statistical Report.*

Chile's Annual Bean and Lentil Harvests Down

Unofficial estimates place Chile's bean harvest now underway at 1,760,000 bags of which 50 percent is exportable. (Export classes include Arroz, Cristales, Red Kidney, and Red Mexican beans.) The current harvest is down from the 2,198,000 bags of last year and slightly below the 1,781,000-bag average for 1955-59.

Bean exports from Chile have declined in recent years, from 550,000 bags in 1961 to 420,000 in 1962 to 350,000 in 1963. Figures for 1964 are not yet available. Nearly all of the exports in recent years have gone to Cuba, the United Kingdom, and West Germany, the latter two taking principally Arroz and Cristales, respectively.

The current lentil harvest is unofficially estimated at 355,000 bags, but because of late rains only 50 percent is of export quality. This total harvest compares with 432,000 bags harvested last year and the 1955-59 average of

311,000. In the last 5 years, 75 to 85 percent of Chile's lentil exports have gone to West Germany.

Record Egyptian Cotton Crop in 1964-65

Egypt's third official report on its 1964-65 cotton crop indicates that a record 2,301,000 bales (480 lb. net) was harvested. This is 2 percent above the second official estimate of 2,271,000 bales and 13 percent above the final 1963-64 production estimate of 2,029,000 bales. Most of the increase over the second estimate was in production of extra long staple cotton (1⅜ inches and longer).

Output of ELS is now estimated at 1,053,000 bales, 3 percent above the second estimate of 1,022,000 and 11 percent larger than the final 1963-64 figure of 946,000.

EGYPTIAN COTTON PRODUCTION

Staple length and principal varieties	1963-64[1]	1964-65[2]	Percentage change
	1,000 bales[3]	*1,000 bales*[3]	*Percent*
Extra long staple, over 1⅜":			
Menoufi, Giza 45, and Giza 68	946	1,053	+11
Medium long staple, 1 9/32" to 1⅜":			
Giza 47, Dendra, and Giza 67	464	566	+22
Medium staple, 1¼" and under:			
Ashmouni and Giza 66	587	649	+11
Subtotal	1,997	2,268	+14
Scarto (unclassified cotton)	32	33	+ 3
Total	2,029	2,301	+13

[1] Final estimate. [2] Third estimate. [3] Bales of 480 pounds net. Government of Egypt.

Portuguese Almond Production Up Slightly

The most recent estimate of 1964 Portuguese almond production is 3,600 short tons (shelled basis), slightly above the 1958-62 average but well above the 1963 crop failure.

Exports during the flush season of 1964 have not kept pace with those of the previous 2 years, and it appears doubtful that total 1964-65 exports will reach the average level of 3,300 tons. The United Kingdom, which imported approximately 50 percent of shelled Portuguese almonds in 1963, remains by far Portugal's largest export market.

PORTUGAL'S SUPPLY AND DISTRIBUTION OF ALMONDS
(Shelled basis)

Item	1963-64	1964-65[1]
	Short tons	*Short tons*
Supply:		
Beginning stocks, September 1	1,300	---
Production	1,300	3,600
Total supply	2,600	3,600
Distribution:		
Domestic consumption	300	300
Exports	2,300	2,500
Ending stocks, August 31	---	800
Total distribution	2,600	3,600

[1] Revised estimate.

Indian Walnut Crop Above Average

India's 1964 commercial walnut crop is currently estimated at 13,000 short tons—the same as in 1963 but slightly above the 1958-62 average crop of 12,600 tons. According to official estimates, the main commercial producing area—in the States of Jammu and Kashmir—has about 114,000 trees on 8,000 acres.

Domestic demand for walnuts in India is reportedly stronger than usual because of the higher prices of competing food items. Because of this, 1964-65 exports are expected to be about 500 tons under the 9,200 tons inshell basis (2,000 tons shelled and 4,200 inshell) shipped during 1963-64. The United Kingdom was again the leading market for Indian walnuts—taking 57 percent of the 1963-64 total. The United States, Australia, and Canada were other important markets with 12, 11, and 9 percent, respectively, of the total.

Indian walnut kernels have reportedly been sold this season within the following price ranges:

Grade	C.&f. London *Cents per lb.*	C.&f. New York *Cents per lb.*
Light halves	48-52	54-58
Light pieces	39-44	44-53
Amber pieces	34-36	35-42
Brown pieces	24-29	....

INDIA'S SUPPLY AND DISTRIBUTION OF WALNUTS
(Inshell basis)

Item	Year beginning October 1		
	1962	1963	Forecast 1964
	Short tons	*Short tons*	*Short tons*
Supply:			
Beginning stocks, October 1	100	200	300
Production	12,000	13,000	13,000
Total supply	12,100	13,200	13,300
Distribution:			
Exports	8,600	9,200	8,500
Domestic disappearance	3,300	3,700	4,600
Ending stocks, September 30	200	300	200
Total distribution	12,100	13,200	13,300

Ontario's Flue-cured Auctions

Auction sales through February 12 of the 1964 flue-cured crop in Ontario, Canada, amounted to 119.8 million pounds, at an average price of 57.8 Canadian cents per pound. Up to that date, about 87 percent of the crop had been sold.

Sales are reported to have closed on February 26, 1965. An earlier date of February 19 had previously been forecast, but because of a slight upward revision in the crop, sales were extended.

The new estimate of the 1964 harvest of Ontario's flue-cured tobaccos is now 137.5 million pounds, compared with the earlier estimate of 131.0 million.

U.S. Tobacco Exports Up Slightly

U.S. exports of unmanufactured tobacco in calendar 1964, at 510.4 million pounds (export weight), were 1 percent above those for 1963. The value was $412.8 million, up 2.4 percent from 1963.

A drop in exports of flue-cured tobacco was more than offset by significant increases in burley, dark-fired Kentucky-Tennessee, and Maryland. Flue-cured exports totaled 391.5 million pounds compared with 403.4 million in 1963. Shipments of burley rose 19 percent to an alltime high of 53 million pounds. Exports of dark-fired Kentucky-Tennessee, at 20.8 million pounds, were up 47 percent, while those of Maryland climbed 15 percent to 12.3 million.

Larger exports were also recorded for Green River, One Sucker, and cigar tobaccos.

Shipments of tobacco products in 1964 were valued at $131.8 million, up 10 percent from the $119.6 million of

1963. Cigarette exports totaled 25.1 billion pieces in 1964—a gain of 6.5 percent. Shipments of cigars and cigarillos were 44.3 million pieces compared with 33.4 million in 1963, smoking tobacco in packages 1.4 million compared with 875,000, and smoking tobacco in bulk 12.3 million compared with 9.8 million.

U.S. EXPORTS OF UNMANUFACTURED TOBACCO
(Export weight)

Kind	December		January-December		Change from 1963
	1963	1964	1963	1964[1]	
	1,000 pounds	*1,000 pounds*	*1,000 pounds*	*1,000 pounds*	*Percent*
Flue-cured	46,744	50,646	403,437	391,504	— 3.0
Burley	4,071	5,395	44,497	53,011	+ 19.1
Dark-fired Ky. Tenn.	912	3,606	14,172	20,849	+ 47.1
Va. fire-cured [2]	141	150	5,243	4,560	— 13.0
Maryland	1,426	1,538	10,744	12,320	+ 14.7
Green River	5	436	582	1,211	+108.1
One Sucker	17	484	473	642	+ 35.7
Black Fat, etc.	564	584	4,210	3,658	— 13.1
Cigar wrapper	119	172	4,606	5,246	+ 13.9
Cigar binder	13	153	797	1,576	+ 97.7
Cigar filler	74	152	425	604	+ 42.1
Other	2,284	2,538	16,298	15,221	— 6.6
Total	56,370	65,854	505,484	510,402	+ 1.0
	Mil. dol.	*Mil. dol.*	*Mil. dol.*	*Mil. dol.*	
Declared value	45.6	56.9	403.1	412.8	+ 2.4

[1] Preliminary; subject to revision. [2] Includes sun-cured.
Bureau of the Census.

U.S. EXPORTS OF TOBACCO PRODUCTS

Product	December		January-December		Change from 1963
	1963	1964	1963	1964	
Cigars and cheroots					*Percent*
1,000 pieces	1,581	2,904	33,443	44,338	+32.6
Cigarettes					
Million pieces	1,964	2,843	23,609	25,144	+ 6.5
Chewing and snuff					
1,000 pounds	29	34	462	413	—10.6
Smoking tobacco in pkgs.					
1,000 pounds	73	118	875	1,420	+62.3
Smoking tobacco in bulk					
1,000 pounds	512	2,951	9,848	12,328	+25.2
Total declared value					
Million dollars	9.7	16.5	119.6	131.8	+10.2

Bureau of the Census.

Brazil Grows More Tobacco

The latest tobacco production estimate for Brazil places the 1965 harvest at about 395 million pounds—30 percent larger than in 1964, when yields were sharply reduced because of adverse weather conditions. The record harvest of 412 million pounds was recorded in 1963.

A bumper flue-cured crop is expected this year—about 179 million pounds, compared with 103 million in 1964 and 159 million in 1963. The burley crop is placed at a record 6.7 million, and native air-cured, at 32.3 million. Production of Bahia and other cigar tobaccos may reach 79 million pounds in 1965, compared with 71 million a year earlier. Twist tobacco production is placed at 97 million pounds—the same as in 1964.

Guatemala's Cigarette Sales Rise

Cigarette sales in Guatemala in 1964 totaled 2,054 million pieces—up 2.4 percent from the 2,004 millon sold in 1963. Cigar sales dropped, however, from 75 million pieces in 1963 to 70 million last year.

Filter-tipped cigarettes continued to gain consumer acceptance in 1964, accounting for 28.5 percent of sales, compared with 22 percent in 1963. By December 1964, filter-tips accounted for 32.3 percent of total sales.

In September 1964, a charcoal filter-tipped brand was placed on the market. This brand retails for about 20 cents per pack, and is reported to have been widely accepted.

Cigarettes made from dark tobacco still account for about 60 percent of total sales. These brands retail for about 6 cents per pack of 20.

Japan's Natural Cheese Imports Increase

Japan's 1964 imports of natural cheese, at 18 million pounds, were up 28 percent from the 14 million imported in 1963.

Principal suppliers were Australia and Norway, 5 million pounds each; New Zealand and the Netherlands, 3 million each; and Denmark, 1 million. The United States—a minor supplier—accounted for little more than 14,000 pounds, only 68 percent of its 1963 volume.

Dutch Increase Canned Milk Exports

The Netherlands exported 7 percent—600 million pounds—more condensed milk in the first 10 months of 1964 than in the same period of 1963, despite reduced purchases by several major markets.

Thailand continued to be the most important outlet for Dutch canned milk, even though its purchases, at 89 million pounds, were 5 percent less than in the 1963 period. Shipments to Malaysia declined 10 percent to 56 million pounds, and those to Greece, 4 percent to 34 million.

Exports to the Philippine Republic, at 76 million pounds, were about half again as large as in the same 1963 period. Among countries taking increased quantities were Hong Kong, 39 million pounds compared with 36 million in 1963; Burma, 32 million (28 million); and Nigeria, 25 million (21 million). The most significant increase occurred in trade with Cuba, which took 19 million pounds compared with 4 million in 1963.

Ghana To Utilize More Local Fiber

Ghana's new fiber bag factory, located at Kumasi, is planning to increase its use of domestic fiber to help meet greater demands for bagging fiber. The factory, which is an important part of that country's industrialization efforts, produces over 4 million bags a year but Ghana's annual bag requirement for cocoa beans has been nearly 10 million. This requirement may be lessened in the future, however, because of the recent determination to process the country's cocoa beans into products.

Ghana now relies almost solely on imported fiber to supply plant requirements. Such imports in 1963 included 2.8 million pounds of raw jute, valued at $257,500, from India and Pakistan. In addition, 21.9 million pounds of jute bags and sacks valued at $2.9 million were imported, mainly from India. Present plans, however, call for the eventual replacement of imported fiber and bagging by domestic fiber production.

Recent field trials have indicated that soil and climate conditions in Ghana are favorable for kenaf production. If mechanical processing problems are resolved, the government will undertake a program to plant up to 18,000 acres of kenaf within the next 3 years.

Sugar Production Begins in Nigeria

Nigeria's first sugarmill started production in January. During this first year of operation, it is expected to produce 10,000 tons of refined sugar, and in the next few years, about 60,000 tons annually. Current plans are to bring output close to self-sufficiency level—110,000 to 120,000 tons—by 1968 and to around 150,000 tons by 1971.

This mill employs about 1,700 workers and is financed by Federal and regional governments and private investors.

U.S. Cocoa Bean Imports Down

U.S. imports of cocoa beans during 1964 declined for the third consecutive year, to 270,760 metric tons. This was 15,328 tons below the 1963 level.

Larger shipments from Ghana raised imports from Africa slightly, while sharply curtailed trade with Mexico and Ecuador dropped imports from Latin America by 22 percent.

Despite the ban on sales during most of the fourth quarter of 1964, the Cocoa Producers Alliance supplied 209,448 tons, or 77 percent of U.S. imports, compared with 199,996 tons, or 70 percent, during 1963. Imports from individual CPA members in 1964 were Ghana 121,944 tons, Nigeria 29,477, Brazil 36,907, Cameroon 1,535, and Ivory Coast and Togo 19,585.

Argentina Has Large Honey Crop

Argentina's 1965 honey crop is now being harvested. Yields and quality are reportedly good, and production is expected to be near the large outturn of 66 million pounds in 1964. The 1955-59 production average was less than half of this amount. Carryover at the end of 1964 amounted to some 15 million pounds.

Seychelles Exports of Copra

Exports of copra from the Seychelles Islands totaled 6,981 long tons in 1964 compared with 5,196 in 1963. Virtually all exports were destined for India.

Malay States, Singapore Export Less Copra, Coconut Oil

Net exports of copra and coconut oil from the Malay States and Singapore during the first 11 months of 1964 totaled 9,829 long tons (oil basis) compared with 22,495 in January-November 1963.

Imports of copra during the same period declined to 19,985 tons from 61,780, and exports declined to 5,672 from 44,387. Exports of coconut oil declined sharply in the January-November period, to 20,140 tons from 35,494, and imports, to 1,151 from 1,867.

U.S. Exports of Soybeans, Edible Oils, Cakes, Meals

December exports of U.S. *soybeans*, at 24.4 million bushels, were somewhat below the 27.4 million exported in November. However, exports in the October-December period were up nearly 30 percent from those in the comparable period of 1963.

Edible oil exports in December increased sharply, to 246.2 million pounds from 139.9 million in November. October-December shipments—of which about three-fourths were soybean oil—were also up markedly, by 80 percent. Spain has been the major taker, reflecting this year's sharply reduced domestic olive oil outturn.

In December, exports of *cakes and meals* rose to a new monthly record of 275,000 short tons, slightly exceeding those of the previous month, and in the 3 month cumulative period, exports were 70 percent above those in the 1963 period. West Germany during that period displaced France as the major market for cakes and meals. Soybean meal accounted for nearly 90 percent of total U.S. exports of cakes and meals in the October-December quarter.

U.S. EXPORTS OF SOYBEANS, EDIBLE OILS, AND OILSEED CAKES AND MEALS

Item and country of destination	December		October-December	
	1963[1]	1964[1]	1963-64[1]	1964-65[1]
SOYBEANS				
Japan ——mil. bu.	3.5	3.8	13.1	15.6
Canada ——do.	4.7	5.3	11.0	15.0
Netherlands ——do.	2.6	3.3	7.7	11.9
Germany, W. ——do.	3.5	2.0	8.8	9.4
Denmark ——do.	1.5	2.1	5.9	5.9
Others ——do.	6.0	7.9	16.4	23.4
Total ——do.	21.8	24.4	62.9	81.2
Oil equiv. ——mil. lb.	239.9	267.5	690.6	892.1
Meal equiv. ——1,000 tons	513.5	572.5	1,478.1	1,909.3
EDIBLE OILS				
Soybean:[2]				
Spain ——mil. lb.	---	31.3	---	111.4
Pakistan ——do.	---	60.6	26.5	74.5
Turkey ——do.	---	---	31.7	33.8
Greece ——do.	---	6.0	---	28.0
Iran ——do.	4.5	14.8	11.7	26.7
Israel ——do.	.7	11.1	4.5	16.8
Chile ——do.	.1	5.0	5.0	16.8
Hong Kong ——do.	.5	5.6	8.2	15.7
Argentina ——do.	---	13.7	(3)	13.7
Others ——do.	51.5	9.4	111.4	48.2
Total soybean ——do.	57.3	157.5	199.0	385.6
Cottonseed:[2]				
Germany, W. ——mil. lb.	5.3	12.3	32.7	26.4
United Arab Rep. ——do.	---	25.0	---	25.0
Canada ——do.	6.0	6.9	12.4	14.6
Netherlands ——do.	15.8	12.8	16.4	13.4
Iran ——do.	2.5	9.4	3.7	12.5
Turkey ——do.	4.2	---	4.2	8.0
United Kingdom ——do.	---	1.5	---	6.8
Others ——do.	7.0	20.8	27.6	39.1
Total cottonseed ——do.	40.8	88.7	97.0	145.8
Total oils ——do.	98.1	246.2	296.0	531.4
CAKES AND MEALS				
Soybean:				
Germany, W. ——1,000 tons	11.4	55.7	31.0	105.8
Netherlands ——do.	9.8	39.4	39.7	96.8
France ——do.	31.4	39.2	75.3	95.7
Canada ——do.	13.3	21.1	59.0	74.4
Belgium ——do.	11.4	22.3	27.8	55.7
Yugoslavia ——do.	12.1	22.6	12.1	55.2
Denmark ——do.	13.1	17.7	34.2	39.2
Italy ——do.	19.0	10.5	33.0	31.8
Spain ——do.	11.2	2.1	32.4	25.0
Others ——do.	9.8	17.7	44.8	60.1
Total ——do.	142.5	248.3	389.3	639.7
Cottonseed ——do.	5.2	18.8	23.7	59.6
Linseed ——do.	(4)	3.4	15.8	22.8
Total cakes and meals[5] ——do.	147.7	275.6	428.9	727.2

[1] Preliminary. [2] Includes Title I, II, III, and IV of P.L. 480, except soybean and cottonseed oils contained in shortening exported under Title II and foreign donations under Title III. Excludes estimates of Title II exports of soybean and cottonseed oil not reported by Census. [3] Less than 50,000 pounds. [4] Less than 50 tons. [5] Includes peanut cake and meal and small quantities of other cakes and meals.

Compiled from Census records and USDA estimates.

NOTE: Countries indicated are ranked according to quantities taken in the current marketing year.

Philippine Exports of Copra, Coconut Oil

Registered exports of copra and coconut oil from the Philippine Republic in January (oil-equivalent basis) were 61,855 long tons against 54,954 in January 1964.

The copra export price in mid-February was $197 per short ton c.i.f. Pacific Coast and $217 per long ton c.i.f. European ports. Local buying prices were reported at 63-64 pesos per 100 kilograms (US$158.58 to US$161.10 per long ton) resecada Manila and 52-58 pesos (US$130.89 to US$145.99) in producing areas.

PHILIPPINE REGISTERED EXPORTS OF COPRA AND COCONUT OIL

Country and continent of destination	1964[1]	January 1964[1]	January 1965[1]
Copra:	*Long tons*	*Long tons*	*Long tons*
United States	231,215	10,750	30,307
Europe	518,988	57,515	30,400
South America	26,800	---	---
Japan	29,880	1,000	1,800
Other Asia	500	---	500
Middle East	140	140	---
Total	807,523	69,405	63,007
Coconut oil:			
United States	182,736	10,195	21,531
Europe	41,286	---	---
South Africa, Rep. of	2,251	340	---
Japan	99	---	---
Total	226,372	10,535	21,531

[1] Preliminary.
Associated Steamship Lines, Manila.

Nigeria's Peanut Production Down Sharply

Nigeria's commercial crop of peanuts in 1964 is now forecast unofficially at 620,000 long tons, shelled basis, one-fifth less than production a year earlier. Licensed buying agents (LBAs) for the Northern Region Marketing Board report purchase declarations as of the end of the 10th week of the 1964-65 season at 616,542 tons. This compares with total declared purchases of 786,727 tons from the 1963-64 crop and 871,516 from the record 1962-63 crop.

While it appears that there has been no real assessment of the factors responsible for the reduction in 1964 outturn, it is claimed that heavy rains caused rotting of the peanuts in the ground. Moreover, the harmattans (dry winds) reportedly came earlier than usual—in late September and early October—and resulted in considerable kernel shriveling. Some sources have expressed doubt about the validity of these claims, however, in view of the extremely optimistic outlook early in the season for a record outturn and the absence of reports of bad weather at that time.

Domestic crushing of peanuts is expected to be substantially above the 235,000 tons crushed in 1963-64. From 1960-61 through 1963-64, the proportion of quantities crushed to the total commercial production increased from 20 percent to 31 percent, and the mills are now crushing at a rate of 6,000 tons a week.

Crushing capacity is expected to increase sharply this year. At least three of the mills in Kano have ordered new equipment, and the Northern Government is interested in encouraging the establishment of indigenous-operated crushers. Continued expansion of the crushing industry indicates that exports of oil and cake soon may exceed those of shelled peanuts.

After reaching a low of £N64.15.0 (US$181.30) per ton c.i.f. in early September, prices for peanuts rose to £N80.0.0 (US$224.00) in early February. Weekly export shipments from September to early January averaged just under 10,000 tons, substantially below last season's level. However, this has been more than adequate to take care of the rail and truck shipments to port, which have been averaging 5,500 tons a week. Practically all of the old-crop carryover should be shipped by the end of February.

NIGERIAN EXPORTS OF PEANUTS AND PRODUCTS

Commodity and country of destination	1963	January-June 1963	January-June 1964
	1,000 long tons	*1,000 long tons*	*1,000 long tons*
Peanuts, shelled:			
United Kingdom	147.5	75.4	58.0
France	203.3	29.8	19.9
Italy	77.3	41.8	46.7
Belgium	36.6	23.0	17.1
Netherlands	32.9	23.3	30.2
Others	116.6	103.2	94.3
Total	614.2	296.5	266.2
Peanut oil:			
United Kingdom	35.1	17.7	19.9
Spain	15.1	9.0	2.6
Others	19.2	4.6	8.7
Total	69.4	31.3	31.2
Peanut cake and meal:			
United Kingdom	65.5	29.5	44.0
Norway	16.7	12.6	18.0
Others	3.3	1.0	4.7
Total	85.5	43.1	66.7

Nigeria Trade Summary, December 1963 and June 1963 and 1964.

Nigeria's exports of peanuts in the first 6 months of 1964 were 30,000 tons less than in the same period of 1963. Exports of peanut oil were about equal to 1963's, but those of peanut cake and meal rose 24,000 tons.

Spanish Olive Oil Exports Rise

Spanish exports of olive oil in the marketing year ended October 31, 1964, totaled 110,184 metric tons compared with 66,402 in 1962-63. This marked gain reflects the sharply increased production of 1963-64.

Major destinations for Spanish exports in 1963-64, together with their respective quantities in metric tons, included Italy 51,949, the United States 18,240, Australia 5,514, Brazil 4,699, Libya 4,561, France 2,978, and the United Kingdom 2,474. Exports to countries outside the Mediterranean Basin totaled 47,998 tons, of which 500 went to Communist Bloc countries.

SPANISH OLIVE OIL EXPORTS

Month	1959[1]	1960[1]	1961[1]	1962[1]	1963[1]
	1,000 metric tons	*1,000 metric tons*	*1,000 metric tons*	*1,000 metric tons*	*1,000 metric tons*
November	5.9	5.3	5.9	4.5	9.2
December	9.2	12.9	5.4	5.6	10.7
January	19.7	16.3	6.3	3.0	12.5
February	26.0	15.6	11.4	1.1	17.8
March	26.9	21.1	11.5	1.0	11.2
April	21.4	18.5	7.5	3.8	13.4
May	15.9	16.9	7.9	2.6	9.2
June	7.5	13.5	8.1	1.1	7.0
July	3.6	6.4	4.0	1.8	5.4
August	5.1	7.7	3.0	13.3	3.3
September	4.5	6.5	3.0	14.4	3.9
October	4.7	8.4	9.6	14.2	6.6
Total	150.4	149.1	83.6	66.4	110.2

[1] Year beginning November 1.
Olive Oil Exporters' Group, Spanish Olive Oil Syndicate.

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Exports in the current marketing year are expected to be significantly below those in 1963-64, reflecting a sharp reduction in the 1964-65 outturn. Should Spain cut exports in order to meet domestic requirements, other Mediterranean Basin suppliers may well increase their efforts to expand foreign marketings.

Spanish prices for edible olive oil of 1.0 percent acidity, in drums, f.o.b. Spanish ports, were last quoted at £230-235 per metric ton (29.2 to 29.8 U.S. cents per lb.) on January 23. Since then Spanish prices have not been quoted, but Tunisian prices, which had been slightly below those for Spanish oil, increased from £228-233 per metric ton (29.0 to 29.6 U.S. cents per lb.) on January 23 to £248-253 per metric ton (31.5 to 32.1 U.S. cents per lb.) on February 6.

USFGC Promotes Egg Consumption in Japan

(Continued from page 8)

Because the U.S. Feed Grains Council had earlier discussed egg promotion with different industry groups in Japan, and some funds were available from the Council, leading industry groups—including feed makers, grain importers, egg dealers, and poultry associations—turned to the Council for assistance. A committee for egg promotion with representation from each interested organization was formed to help develop a consumer egg promotion campaign.

Early in January this campaign was launched. Several facets of the campaign will continue for the next several months in an effort to encourage increased awareness of the nutritional value of eggs and stress the exceptionally good value the housewife receives for her food money through purchases of eggs.

Advertising campaign

Posters displayed in trains and at retail outlets will stress the nutritional value of eggs. Recipe and slogan contests will be held. Radio and television advertising will be used. Plastic cartons will be given to housewives purchasing 10 eggs in an effort to develop the habit of buying larger quantities of eggs each time they are purchased.

Although the current campaign is designed to achieve immediate increases in egg purchases, it is hoped the Japanese industry will recognize the value of encouraging increased egg consumption through all of the various outlets at their disposal including various nutritional groups.

There are indications that the need for a long-range program to increase egg consumption is being recognized by industry groups.

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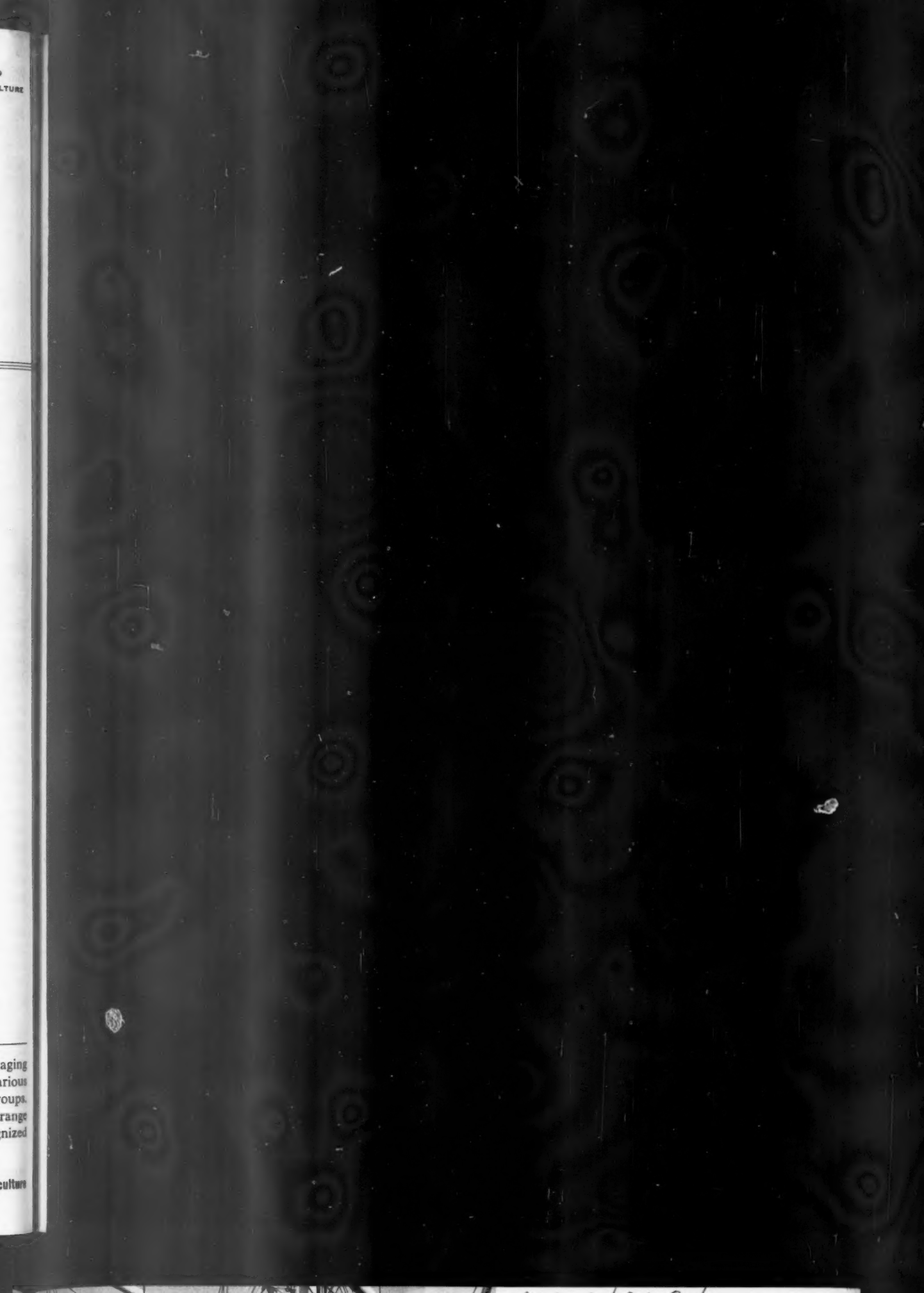
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